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IRRESPONSIBLE! GOP ELIMATES SBT WITH NO PLAN TO REPLACE IT
Critical Services Will Be Slashed, Taxpayer Burden Could Skyrocket

LANSING- In the latest in a long series of fiscally irresponsible actions, Michigan Senate Republicans voted today to eliminate the state's single business tax without any identified replacement revenue. This means it may fall upon the average Michigan taxpayer to eventually replace approximately 1/4th of the state's general revenue fund.

"It is extremely irresponsible and reckless action to eliminate 25% of the state's general budget without first finding a plan to replace it," said Sen. Liz Brater (D-Ann Arbor). "We're already seeing severe cut backs in essential state services like dental care for the poor, schools, and road construction, and this tax cut will leave our state in a desperate predicament."

Democrat Mike Prusi (D-Ishpeming) attempted to bring some fiscal sanity to the Senate proceedings by offering an amendment that would require the legislature's Consensus Revenue Estimating Conference to identify replacement revenue prior to the tax being eliminated. Prusi's effort was defeated on a party line vote.

"What the majority party is doing is like trying to weave a parachute after you have already jumped out of the plane," said Prusi. "We are binding the hands of next year's legislature to fix a problem we should be working on now."

Democrats dismissed the GOP's claim that eliminating the SBT was critical to stimulating the economy by pointing out that the Republican proposal does not actually eliminate the SBT until October of 2007. Why wait 21 months, Democrats asked, if this is so vital to turning around the state's economy.

"Abolishing the single business tax without creating a replacement is like quitting your job before you have found a new one," said Sen. Mickey Switalski (D-Roseville). "It is irresponsible."

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